

REPORT OF THE
PERSONNEL APPROACHES STUDY GROUP

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I. INTRODUCTION

30 NOV 1973

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : CIA Management Committee
SUBJECT : New Approaches to Personnel Management

1. In response to the instruction of the Agency Management Committee, the Personnel Approaches Study Group (PASG) studied the essential elements of an Agency-wide program for improving personnel management in the Agency. In the course of its review, the Group met with the CIA and four Directorate Management Advisory Groups and obtained information from Career Service Heads concerning the operation of their Career Services. Summaries of the information secured from these sources are found in Annexes A and B.

2. The recommendations of the Personnel Approaches Study Group are designed to bring uniformity to personnel management in the CIA and still retain to the four Deputy Directors sufficient flexibility to meet their unique requirements. The cornerstone of PASG's conclusions is contained in the definition of "Career Service" as a "personnel management system," not as an institution in which membership should suggest tenure; indeed, it is PASG's joint opinion that continued employment can depend only on performance. To achieve uniformity, PASG considers that the formal Career Services be limited to five, one for each Directorate and a small, compressed service to handle those individuals in the DCI area who are not susceptible to inclusion elsewhere. This approach, in effect, forces the management of each major service under the cognizance of the appropriate individual Deputy Director. It thereby withdraws authorities from operating officials, presently granted in Agency regulations, to run separate Career Services with only the broadest guidelines.

3. It is presumed that each Deputy Director will have sub-groupings in his Directorate Career Service to discharge more efficiently those uniform authorities vested in him.

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These Groups will permit the Directorates to continue with much of the varied Career Service structures they now employ in day-to-day management. But these Groups will now be operating under a series of some sixteen published, uniform guidelines issued and audited by the individual Deputies. Among these guidelines, for example, will be the requirement for all Directorates to operate an evaluation and ranking system of all professional employees; the necessity to maintain Directorate counseling programs for all employees; the establishment and publishing of uniform promotion criteria; published uniform selection standards for training and education opportunities; development of policies to facilitate employee mobility; development of systems for solving grievance problems; and the development of procedures to correct marginal performance through counseling, retraining, reassignment, or termination.

4. The idea of a fifth or E Career Service stems from the existence of employees in the Office of the Director whose occupational specialties defy inclusion in any of the other services. It is PASG's opinion, however, that in the future the E Service should be purified to exclude individuals who are working on rotational or developmental assignments. Members of the four Directorate Services joining an O/DCI component should retain their designators and remain under the long-term purview of the parent service. Exceptions to this rule should be held to an absolute minimum. A Senior Officer of the E Service should be designated by the DCI as manager of that Service.

5. In the course of discussions on the meaning of Career Service, PASG found the provision of the one-year trial period for new employees to be a valuable concept, but that the three-year career-provisional period prior to acceptance in a Career Service was meaningless. The procedure for terminating an employee at any time following the trial period, two, three or five years, is the same, requiring action by the DCI under the authority of section 102 (c) of the National Security Act of 1947, as amended. Under these circumstances, the appraisal of an employee at the three-year point has become no more meaningful than annual appraisal

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at any point in the employee's career. In PASG's opinion the three-year review prior to appointment as a Career Employee and member of a Career Service could become significant if termination of an employee at the end of three years could be effected under the same authority; i.e., the Director of Personnel, as now exists for the one-year trial period. This possibility is presently under consideration by the General Counsel. If the one-year procedure cannot be extended through to the three-year period, PASG would recommend changing regulations to eliminate the three-year career-provisional period and retain only the one-year trial period. If extension is possible, then the one-year trial period would simply be extended to three years.

6. PASG deliberated at length on the pros and cons of a separate Career Service for all supergrades in the Agency. It was concluded that a panel evaluation system for such a service would prove unworkable on several counts, but that some kind of top management review of prospective candidates for supergrade vacancies could only improve the productive use and inter-Directorate development of these costly assets. One possible method of accomplishing this is suggested.

7. Also considered and discarded for cost-effective reasons was the establishment of Directorate-wide clerical Career Services.

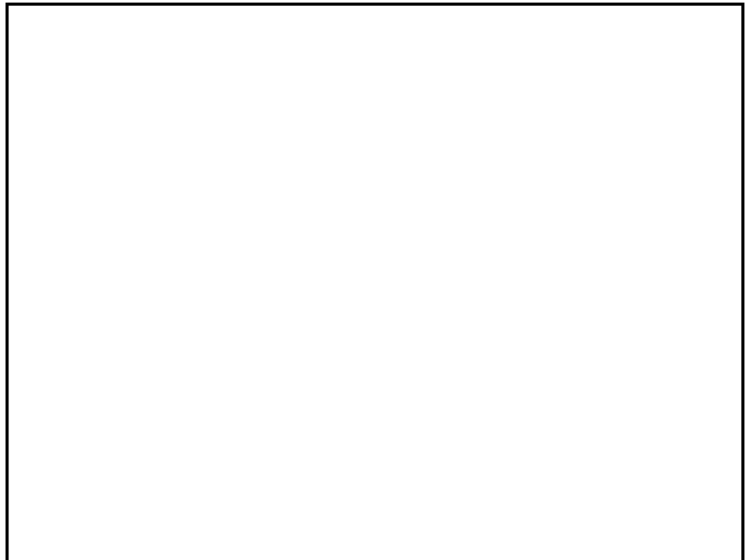
8. Finally, much time was spent on the feasibility of a system for identifying employee groups having common functional or occupational specialties along the lines of a modified Military Occupational Specialty (MOS) system. Such an arrangement would facilitate quick access to machine-stored information about employees with certain combinations or qualifications and permit useful statistical comparisons of individuals in affinity groupings irrespective of location. Use of a computerized system tailored to these objectives, however, would be excessively costly in manpower and machine resources. PASG believes that the existing Qualifications Records System (described at Annex C) can be modified to achieve most of the advantages sought in the MOS concept.

9. Some of our recommendations would necessitate additional personnel staffing and/or expenditures. These include the following suggested actions by each Directorate: (a) provide for the training and qualifications updating of employees, to insure their qualifications-readiness for current and future assignments; (b) maintain an employee evaluation system and structure; and (c) create a Directorate-wide counseling program. The exact costs of these programs cannot be foreseen since they would depend upon specific plans and actions yet to be determined by the Directorates. It is presumed some of the additional staffing effort and time required to implement these recommendations could be absorbed or diverted from other purposes.

10.. One of the major, continuing concerns of top management has been to meet the desire of employees to receive more information on how the personnel system works -- a need that was reaffirmed to PASG by most of the MAGs. We believe the reporting of full information on accepted new approaches to personnel management is a significant step in this direction and suggest the approved portions of our report be disseminated on an all employee basis and regulations changed accordingly.

11. Approval of the report is recommended.

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APPROVED: _____

DISAPPROVED: _____

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SUBJECT: New Approaches to Personnel Management

Distribution:

Original - Adse, return to D/Pers
1 - DDCI
1 - ER
11 - Management Committee Members
1 - Each PASG Member
1 - D/Pers (w/held)

O-D/Pers:FWMJanney:bkf (29 Nov 73)

II. BACKGROUND

At its June 1973 meeting, the Agency Management Committee decided that an "integrated" (i.e., Agency-wide) approach to personnel management should be undertaken. The DCI agreed and directed the Director of Personnel to form a Study Group, composed of senior representatives selected by each Deputy Director, to develop recommendations for changes in personnel management.

As the first step in its deliberations, PASG solicited views of the CIA and Directorate Management Advisory Groups, and it submitted a Career Service Questionnaire to Heads of Career Services.

Members of the five Management Advisory Groups orally presented their views and recommendations directly to PASG. The results are highlighted in Annex A. In summary, most issues raised by a majority of the MAGs are dealt with in some way in this Report, including the following: Agency personnel guidelines; functional organization of panels or career services, an improved system for planning and effecting employee movement across organizational lines; and the need for employees to know more what the personnel system is and how it works (e.g., evaluation system). Some other comments of the Management Advisory Groups considered by PASG but not reflected in its proposals are: the DDO's home base concept as a barrier to the one-Directorate and one-Agency approach; periodic reverse fitness reports; and a change from group hiring in the Career Training Program for hiring against specific openings.

Annex B contains a brief analysis of personnel structures, processes and methods currently used in the Career Services, as reflected in replies to the PASG Career Service Questionnaire by Career Service Heads.

III. NEW DIRECTIONS FOR PERSONNEL MANAGEMENT

Better Use of Fewer Resources: Since 1967 2,500 GS personnel reductions have had a major impact on personnel activities. The absorption of personnel cuts, gradually during FY 1968-1972 and heavily in FY 1973, has resulted in constraints and dislocations that have been painful to the units immediately affected.

Notwithstanding, further personnel reductions are anticipated. In his talk to Agency personnel in the Auditorium on 6 September 1973, the Director foresaw the necessity of achieving reductions in programs and personnel to keep pace with rising costs. Even as he rejected the feasibility of controlling the spiral through personnel reductions alone, he acknowledged the reality of future cuts as a fact of life. Thus, a new trend in the control of diminishing manpower levels has emerged -- one in which personnel resources must be tailored to priorities and in which further personnel reductions will be achieved principally through programmatic reviews and changes.

External developments are bound to significantly shape Agency activities and the use of resources in the future. The President's intention to increase the effectiveness and to improve the product of both CIA and the Intelligence Community will require greater attention to personnel management. Moreover, better management of human resources in the Agency will be a key concern of OMB in achieving increased managerial effectiveness and economies throughout the Government.

Qualities of Management: Several changes have been made during the past two years by the present Director, many when he was Executive Director-Comptroller; e.g., introduction of the Personnel Development Program (PDP) and the Annual Personnel Plan (APP); and better use of training resources.

These changing moods and trends provide a basic insight into the new directions personnel management is taking:

One Agency Orientation: Personnel management has remained largely unchanged since the early years of the Agency's existence. The present Career Service system was designed to meet the personnel needs of individual components in a rapidly developing organization and, even today, these differing requirements continue to justify the use of a partially decentralized system for personnel management. Actions are now being taken, however, to increase the "one Agency" orientation of personnel operations. Increased recognition of Agency-wide personnel concerns entails the greater application of Agency-wide guidances and processes and the elimination of institutional barriers currently impeding the desired flow of personnel between components and Career Services.

Integration of Personnel, Program and Financial Management in Deputy Directors: Formal delegations of responsibility for career management and actual arrangements for conducting personnel operations have resulted in most personnel decisions being made with varying degrees of involvement of the Deputy Directors. Participation by the Deputies has been essentially limited to selected approvals or reviews, such as promotion and assignment of supergrades, allocation of ceiling reductions, and termination of personnel. Aside from such concerns, Career Service Heads have been largely independent in hiring, promoting, training, developing and separating employees from the time they enter on duty to the point they come under the purview of the Deputy Directors at Grade GS-15 or above. While the Deputies manage operational activities and budgetary changes, they do not uniformly exercise a similar degree of control over personnel decisions governing human resources, the major item in the budget. Action should be taken to fix personnel responsibility directly in the hands of the Deputy Directors. A personnel system at the Directorate level subject to certain uniform Agency guidances would regularize personnel management to a greater extent than now exists (with management diffused among twenty-three Career Service Heads and Operating Officials).

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Program Planning and Review at All Levels: In view of ever increasing limits on personnel resources, managers at all levels should engage in basic personnel planning and program reviews, in accordance with Agency and Directorate objectives, guidances and standards.

IV. AGENCY PERSONNEL POLICY

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Revision of [] In order to establish a system in full support of the new directions, the current personnel policy statement in [] should be revised as follows: "It is Agency policy to have a personnel management system that is responsive to the changing needs of the Agency and the intelligence profession. Within the personnel management system, the following principles will be applied: (a) adherence to Federal personnel policies and statutory requirements applicable to Agency activities; (b) equitable treatment of Agency personnel; (c) open and full communications in the conduct of the Agency's personnel business; (d) effective and economical use of manpower resources, through systematic personnel planning, goal setting, and integration of personnel and financial management; (e) maximum personnel usage and development consistent with Agency requirements; and (f) advancement of the most talented employees and separation of those who are either inadequate in performance or, as circumstances require, are in excess to the needs of the Agency. The personnel system will be designed and administered in a way that will provide flexibility in meeting component needs while insuring full consideration of the Agency's mission and objectives."

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V. AGENCY PERSONNEL OBJECTIVES

DCI Objectives: The CIA Management Committee should recommend a number of DCI objectives that will identify specific personnel priorities during FY 1974-1975. General awareness and acceptance of these objectives would give

meaning and momentum to the achievement of an Agency-wide personnel program. PASG suggests consideration of the following as objectives:

- Recruit, with full attention to equal opportunity policies, the best qualified individuals to fill personnel requirements.

- Maintain and enhance Agency professionalism at all employee levels by the planning of future personnel requirements, the acquisition of needed skill mixes, and by the training and qualifications updating of employees (as deemed necessary to insure their qualifications-readiness for current and future assignments).

- Increase the impact and participation of the Deputy Directors in the personnel planning and policy processes.

- Foster open communications on the purpose and operation of important personnel policies and processes by more frequent use of Agency and component notices.

- Provide employees with opportunities and satisfactions commensurate with their individual skills and ability.

- Administer an employee recognition system in the Agency that uniformly emphasizes individual contributions and outputs directed to the accomplishment of Agency and lower-echelon goals.

- Insure that systematic personal development, including rotation of professionals as practicable, is planned and acted upon.

- Provide for the upward movement of highly talented employees, even in components where advancement room is limited.

-- Better relate training to personnel development by giving supervisors the responsibility for judging the training needs of individual employees.

-- Identify employees with the most and the least potential, through the use of an appropriate evaluation system, following Agency-wide policy and guidance. Develop better means of determining the possible use elsewhere in the Agency of those employees who are judged to have qualifications for continued employment even though they are considered surplus in a particular Career Service or component.

VI. PERSONNEL AUTHORITIES AND RESPONSIBILITIES

Agency Level

Management Committee's Role: [] states the Director has ultimate responsibility for personnel management in the Agency. To assist the Director, the Agency Management Committee should recommend DCI personnel objectives and policies. It should also serve as a mechanism for reviewing the operation of the personnel system in the Directorates and for considering recommendations pertaining to new objectives and programs. STAT

Supergrade Review: An Agency level mechanism should be established to exchange information on supergrade vacancies and prospective candidates, review nominations to fill senior openings, and work out arrangements for handling inter-Directorate developmental experiences.

The specific mechanism to be used and the detailed assignment and review functions to be exercised are decisions that should be made personally by the Director after discussion with the Deputy Directors.

A possible method of accomplishing the three purposes noted above would be to establish a Supergrade Review Board made up of the four Associate Deputy Directors. Such a Board would also afford the Associate Deputies an increased chance to become more aware of supergrade officials outside their areas. Under this arrangement, the Associate Deputy Directors would give the Board each quarter a list of upcoming supergrade and SPS vacancies and reassignment plans for their Directorates, covering at least the next 90-day period. These planned actions could then be reviewed by the Board, and it could consider inter-Directorate transfers and developmental rotation assignments.

This proposal responds to the DCI's wish for an improvement in the productive use and development of supergrade personnel. It would complement other Agency actions that have been taken during the past year to improve supergrade management, such as the annual review of executive development by the Agency Management Committee (PDP) and an annual reporting to the Committee by the Deputies on supergrade utilization. (DCI memorandum to Deputy Directors dated 14 December 1972.)

Directorate Level

Deputy Directors: In applying the following Agency-wide personnel authorities and responsibilities within his area, each Deputy Director should determine structures, policies and guidances that would be most appropriate to meet his Career Service needs.

- Develop and establish uniform promotion criteria.

- Establish an appropriate Directorate panel structure and procedure to conduct, at least annually, the evaluation and ranking of professional personnel.

- Provide the evaluation panels with uniform ranking criteria that will identify employees with the highest and least potential and those in between. Normally, those having the lowest rankings will have this fact made known to them.

-- Provide for periodic review by the Deputy of evaluation activities and results.

-- In connection with Management by Objectives (MBO), APP and PDP, establish Directorate-wide personnel objectives.

-- Establish a program and criteria for the career management of supergrade personnel at the Directorate level.

-- Create a Directorate-wide counseling program which, as a minimum, would provide for the counseling of employees whenever recommended in the evaluation process. Also provide for a visible counseling source or sources that employees could go to on their own initiative in order to seek job assistance and career guidance.

-- Organize logical Groups, below Directorate level, on either a grade, function, program, etc., basis which, for their members, would implement the personnel policy guidances and instructions of the Directorate.

-- Establish Directorate standards for selecting candidates to attend senior schools or courses.

-- Establish Directorate policy and standards for approving external full-time and part-time training.

-- Establish minimum training standards for managerial positions and for occupational positions or groups when training is considered significant for job performance and employee development.

-- Provide policy to facilitate inter-Directorate transfers and rotational tours.

-- Establish procedures and provide guidance for recommending Honor and Merit Awards.

-- Provide a system for the annual review of supergrade personnel in Personal Rank Assignments, to effect corrective actions when needed.

-- Develop procedures to handle potential surplus cases, including the following elements: counseling, consideration for retraining and/or reassignment, and notification of surplus status.

-- Establish a uniform grievance procedure within the Directorate.

Organization in the Directorates: A Senior Personnel Resources Board should act as the recommending body on issues reserved to the Deputy Director and should serve as the senior advisory body on personnel management in the Directorate.

Each Deputy Director should decide upon the use of such other personnel and evaluation boards, panels, and officials as he deems most appropriate for conducting personnel management and administration in his area.

The Career Services: [] establishes twenty-three Career Services but does not define or explain them. Conceptually, Career Services are simply organizational elements responsible for the management of designated individuals. Individual membership in a Career Service should not be misconstrued as a guarantee of job tenure; employee performance is the principal determinant for continued employment.

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To insure effective management oriented towards the satisfaction of Agency needs, Career Services should be managed at the highest practical level that can reasonably guide and handle a recognized group of people. The Directorates are the appropriate level for personnel management in this Agency.

Meaning to the Employee: Each Deputy Director should manage personnel in his Career Service in a way most conducive to the simultaneous achievement of organization purposes and employee interests.

An employee should expect his Career Service to provide the following:

-- A system for paying systematic, continuing attention to all employees; for insuring equitable

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treatment of all personnel; and for facilitating the use of individuals in accordance with their relative abilities.

-- The provision of personnel counseling assistance to all interested people and the identification of those requiring developmental or job counseling, as seen by the Career Service.

-- The systematic recognition of individual talents, including the more rapid advancement of the most gifted.

-- The planning and application of developmental experiences for individual employees, including rotation.

-- The maintenance of a system that will continuously identify and remove employees who are marginal or have the least potential, in order to insure effective work relationships and enhance individual chances for advancement.

VII. REMAINING TASKS

This Report concentrates upon those considerations that are essential to the initiation of an Agency-wide approach to personnel management at the top and lower levels. There remains the task of studying a number of specific policy and program issues that require considerable further research and deliberation; e. g., mobility and personnel program evaluation. Accordingly, we recommend that the Agency Management Committee instruct the Director of Personnel to present, at suitable time intervals, his recommendations on these and other issues that he considers worthy of consideration.

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